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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No

July 18, 2003

Allegations of Al Qaeda Trafficking in Conflict Diamonds

Executive Summary

In November 2001, the Washington Post initiated a series of articles linking the al Qaeda terrorist network to diamond trafficking in West Africa. According to the media reporting, al Qaeda operatives, using aliases and based in Monrovia, Liberia, reaped millions of dollars from 1999 to 2001 through the sale of diamonds mined by the Revolutionary United Front (RUF). Reporting on this issue continues amid the current crisis in Liberia.

The FBI's Terrorist Financing Operations Section (TFOS), in concert with other agencies, has endeavored to determine the validity of these allegations. FBI efforts consisted of investigation in the U.S. and several foreign countries including Ghana, Belgium, Sierra Leone, and Burkina Faso. During this comprehensive investigation, more than 25 individuals ranging from former high-ranking RUF rebels to diamond dealers responsible for exporting an estimated 80% of the diamonds mined in Sierra Leone were interview. None of the individuals interviewed were aware of any al Qaeda diamond buying from the RUF-controlled areas as alleged by the media.

Several countries also conducted investigation into al Qaeda's alleged diamond trafficking activities in West Africa. TFOS met with several law enforcement and intelligence officials from various countries mentioned in the media reports. Based on the results of their independent investigations, these officials found that al Qaeda fugitives were not involved with the trafficking of conflict diamonds from Sierra Leone. The Belgian Federal Police investigated and are aiding the prosecution of a weapons for diamonds transaction involving the parties the media contends dealt with al Qaeda. The witnesses to this investigation denied that al Qaeda's operatives were involved with diamond trafficking in the region during 2000 through 2001. Furthermore, numerous witness have identified the alleged al Qaeda aliases as actual individuals from Senegal involved in the diamond trade of West Africa.

Lastly, the FBI, and others in the U.S. Intelligence Community, have interrogated numerous detainees believed to have significant financial knowledge of al Qaeda finances. These detainees specifically denied that al Qaeda used diamonds as a funding mechanism to support terrorism.

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Allegations Relating to al Qaeda's Trafficking in Conflict Diamonds

In November 2001, the Washington Post initiated a series of articles linking the al Qaeda terrorist network to rough diamond trafficking in the war-torn West African country of Sierra Leone. These articles quoted several unidentified U.S. and European intelligence officials as well as unidentified sources who allegedly had direct knowledge that al Qaeda reaped millions of dollars, from 1999 to 2001, from the sale of diamonds mined by the Revolutionary United Front (RUF), the rebel army of Sierra Leone. According to the media reports, Aziz Nassour, Samih Ossaily, and Ibrahim Bah, acted as conduits for an extensive pre-9/11 diamond buying operation by al Qaeda operatives Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed, who were using aliases. This allegedly resulted in the purchase of 20 million dollars in gems by al Qaeda operatives. The media reports also claimed that the Presidents of Liberia and Burkina Faso were paid bribes to assist and serve as hosts for the al Qaeda terrorists during their diamond buying operation.

Since the initial Washington Post report, several other media sources, including the BBC and the NGO Global Witness, have published or aired additional reports regarding this alleged al Qaeda/conflict diamond connection. Several of these reporters and organizations have interconnected relationships and have extensively shared sources and materials on this topic.

On April 17, 2003, Global Witness, a London based NGO, published ninety-nine page report entitled: "For a Few Dollar$ More - How al Qaeda moved into the diamond trade." This report followed the initial reporting by the Washington Post but added more in-depth background and details, along with supporting documents. This report's principal author and investigator, Alex Yearsley, told the FBI that his intent for this report was to draw attention to the conflict diamond crisis in West Africa and thus, push forward the Kimberly Process.[1]

Even as recent as July 4, 2003, the Washington Post continued its original reporting stating that "[Liberian President Charles] Taylor sold some of the [conflict] diamonds to al Qaeda in 2000 and 2001 as the terrorist organization moved its cash to commodities in advance of the Sept. 11 attacks, according to a year-long investigation by European law enforcement agencies."

[1] The Kimberly Process is a multi-nation agreement that requires certifications for the legitimate trading of diamonds in an attempt to end the funding of rebel groups through the international smuggling of the gems.

Primary Allegations Under Investigation

In order to determine the validity of the allegations that have become so prevalent in the media's reporting of West Africa and al Qaeda's alternative financing operations, the FBI set forth to conduct an in depth investigation related specifically to the following predominant allegations:

(1) that three al Qaeda operatives, Abdullah Ahmed Abdullah, Ahmed Khalfan Ghailani and Fazul Mohammed, (all East African embassy bombing fugitives) spent time in Sierra Leone, Liberia, and Burkina Faso, during different periods from September 1998 through 2001, in order to purchase diamonds from the RUF rebels; and

(2) that these al Qaeda operatives entered the rough diamond trade and cornered the West African diamond market in Antwerp, Brussels, during the summer of 2001, in an attempt to thwart anticipated law enforcement efforts in the wake of the attacks which were to occur on 9/11/2001.

While the FBI focused it efforts on fully examining the leads related to the above listed allegations, significant overlap existed to allow for further examination into the potential terrorist exploitation of the West African region as well as the use of the particular resource, diamonds, to fund terrorist operations. This investigation covered not only interviews of those most knowledgeable with the diamond trade in the region during the relevant time period, but also obtained information from those responsible with enforcing the laws and maintaining the intelligence base for the regions affected by diamond trafficking and terrorist activity. Furthermore, the FBI interviewed or directed questions to detainees knowledgeable with al Qaeda's finances.

Overview of FBI Efforts

The FBI's Terrorist Financing Operations Section (TFOS), in concert with other agencies, has endeavored to determine the validity of these allegations. FBI efforts consisted of investigation in the U.S. and several foreign countries including Ghana, Belgium, Sierra Leone, and Burkina Faso. This comprehensive investigation included over 25 interviews - ranging from former high-ranking RUF rebels to diamond dealers responsible for exporting an estimated 80% of the diamonds mined in Sierra Leone. Also included in this investigation were over a dozen meetings with various law enforcement and intelligence officials. The FBI/TFOS and others in the U.S. Intelligence Community, have interrogated numerous detainees believed to have significant financial knowledge of al Qaeda finances. These detainees specifically denied that al Qaeda used diamonds as a funding mechanism to support terrorism.

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On February 4, 2003, the FBI met with [redacted] was reluctant to provide any further assistance to substantiate the allegations of the al Qaeda/conflict diamond connection at that time. [redacted]

In conjunction with this investigation the FBI created a matrix addressing each of the specific allegations involving al Qaeda's involvement in conflict diamond trafficking made by the media. The results of this matrix are consistent with this LHM. b6 b7C b7D

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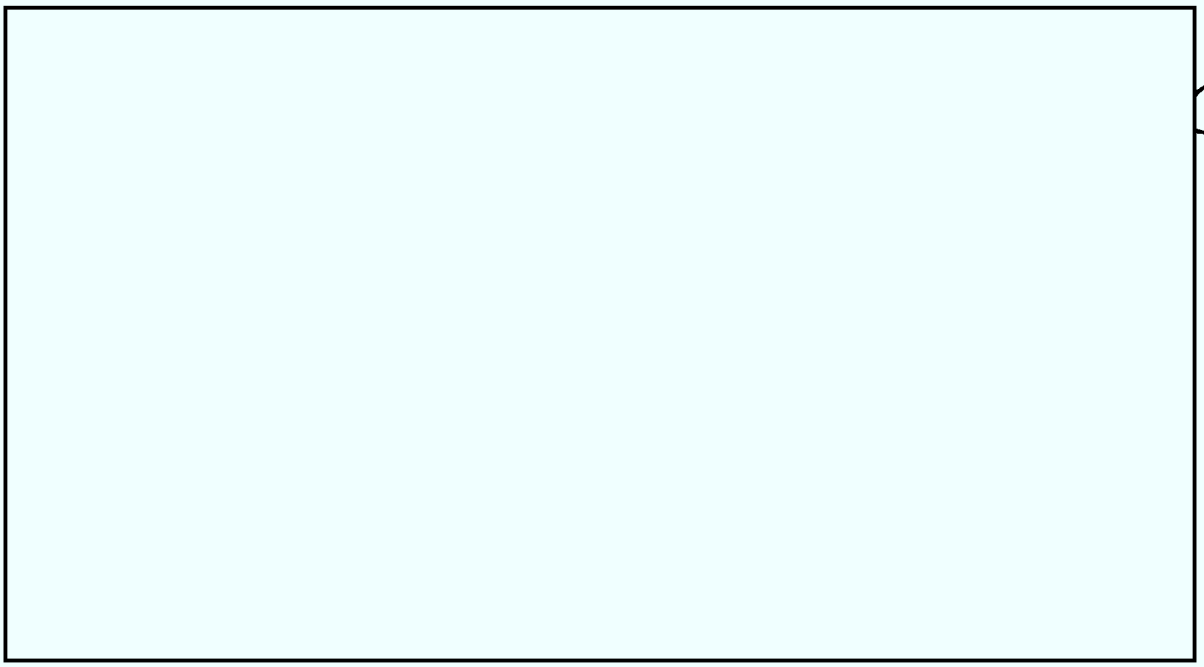

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FBI/TFOS Travel to Freetown and Kono, Sierra Leone

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On June 6, 2003, FBI/TFOS traveled to the Kono diamond field region of Sierra Leone where, according to media reports, al Qaeda fugitives Ahmed Ghailani and Fazul Mohammed traveled in late December 2000-January 2001. These al Qaeda fugitives allegedly stayed at Small Lebanon, the residence/office of RUF Ground Commander Issa Sesay, for several days during this period and remained in the Kono area for three weeks. FBI/TFOS visited Small Lebanon and other areas around the Kono region, including the main diamond mining area.

While in the region, FBI/TFOS interviewed a former RUF Commander in charge of Kono; the RUF liaison officer in charge of all passes for visitors; and a Sierra Leone government intelligence officer, all of whom were in the area and had visited Sesay at Small Lebanon on an almost daily basis during the relevant time period. They stated that they would have known if foreigners were ever at Small Lebanon or in the Kono region. They all advised that they were unaware that any white, Middle Eastern, or East Africans were ever present at Small Lebanon or in the Kono area. They were shown a photo spread containing photographs of al Qaeda fugitives Ahmed

Ghailani, Fazul Mohammed, and Sheikh Ahmed Salim Sweden. None of the individuals shown the photo spreads were able to identify the al Qaeda operatives.

Also interviewed during this trip was a [redacted] was aware of diamond transactions occurring at Small Lebanon, he did not recognize any of the al Qaeda members in the photo spread.

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FBI/TFOS Interview of [redacted]

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Alleged Special Forces Team Operation

The Washington Post quotes unidentified U.S. Defense Intelligence Agency officials as monitoring Ahmed Ghailani and Fazul Mohammed in Western Africa in the weeks following 9/11. According to media reports, the Pentagon had a Special Forces team in neighboring Guinea ready to snatch these al Qaeda fugitives. However, the FBI met with DOD officials in Washington and the Defense Intelligence Attache in Freetown, Sierra Leone. These meetings revealed that this allegation was false. advised that while a group of U.S. Special Forces were in Guinea during that period training with their host country counterparts, these U.S. forces were not attempting to *apprehend any al Qaeda fugitives.*

FBI Travel to Ouagadougou, Burkina Faso

According to media reports, prior to March 2001 and again from July 2001 through the summer of 2002, al Qaeda fugitives, Ahmed Ghailani and Fazul Mohammed, stayed in Ouagadougou, Burkina Faso, under the protection of President Blaise Campaore. During these extended periods, the al Qaeda fugitives allegedly stayed at the government's official guest house known as the "Maison des Hotes." Allegations cite European intelligence reports stating that the al Qaeda fugitives moved between a protected area in Liberia and Maison des Hotes in the district of Zone du Bois, further described as the Presidential compound in Burkina Faso, and remained there for at least two months after 9/11. b6 b7C b7D

On June 13, 2003, TFOS/FBI inspected the facilities of the Maison des Hotes at Zone du Bois, as well as the bungalow complex located next door. The Maison des Hotes is not part of the presidential compound as alleged by media reports; it is several miles away. The Maison des Hotes is a simple three bedroom residence, while the adjacent bungalows are six, one-room units. TFOS/FBI interviewed the two Chefs, the Facilities Manager, and the Commanding Officer of the Presidential Security Detail in charge of the Maison des Hotes and the adjacent bungalow complex. All were employed in their respective positions at the time of the alleged visits of al Qaeda fugitives Ahmed Ghailani and Fazul Mohammed. They were shown photo spreads that included photographs of Ahmed Ghailani and Fazul Mohammed and were unable to identify either man. None of those interviewed had any knowledge of Middle Easterners or East Africans staying at Maison des Hotes or nearby facilities during the relevant time period.

The FBI also met with who was aware of the various allegations related to al Qaeda's presence in Burkina Faso. He advised that he and his

security forces were completely surprised by the various articles and have spent considerable time and effort to determine if there was an al Qaeda presence in the country. [redacted] was convinced that the media allegations that fugitives Ahmed Ghailani and Fazul Mohammed were hosted by President Campaore or staying as guests at the Maison des Hotes were false. However, he added that Burkina Faso could not guarantee that al Qaeda operatives have never discreetly passed through the country. b6 b7C b7D

Evaluation of Allegations Related to al Qaeda's Involvement in Diamond Trafficking in West Africa

The FBI has conducted a comprehensive investigation into this matter. Investigative results do not support the media allegations that al Qaeda fugitives Abdullah Ahmed Abdullah, Ahmed Khalfan Ghailani, and Fazul Mohammed engaged in a diamond buying operation in West Africa.

[redacted] This in-depth investigation revealed that the individuals involved in Nassour's West African diamond trafficking operation during 2000 and 2001, [redacted] provided consistent details of all aspects of the operation, while specifically denying the involvement of the al Qaeda fugitives Ahmed Ghailani, Fazul Mohammed, and Abdullah Ahmed Abdullah. [redacted] the FBI's investigation further determined that Mohammad D. Keneme and Soulemani M. Guessen were not aliases used by Ahmed Ghailani and Fazul Mohammed, but rather they were true names of actual diamond traders from Senegal employed by Aziz Nassour. Several witnesses involved in Nassour's operation, who knew the two Senegalese men, viewed photographs of Ahmed Ghailani and Fazul Mohammed, and stated that they were not photographs of Mohammad D. Keneme and Soulemani M. Guessen.

Additionally, investigation into the allegations that Ahmed Ghailani and Fazul Mohammed were guests at Burkina Faso's official guest house, Maison des Hotes, for at least two months after 9/11, met with similar negative results.

Furthermore, the allegations that the U.S. readied a Special Forces team to snatch Ahmed Ghailani and Fazul Mohammed in Western Africa in the weeks following 9/11 were determined to be false.

The July 4, 2003, reporting by the Washington Post alleging that a year-long investigation by European law enforcement agencies revealed that Charles Taylor sold diamonds to al Qaeda in 2000 and 2001, is questionable. The FBI has conferred with FBI's Legal Attaches, the U.S. State Department, other U.S. agencies, and several of our foreign law enforcement counterparts in order to determine the source of this information. Based on this search, the only European law enforcement agency that has conducted a year-long investigation into this issue is the BFP and they specifically deny having developed any evidence to suggest al Qaeda's involvement in purchasing diamonds from Charles Taylor or the region. b6 b7C b7D

The extensive investigation conducted by the FBI in this matter contradicts the allegations raised by the various media and Global Witness reports. Based on the investigation conducted by the BFP, the media allegations detailing Nassour's involvement with diamond trafficking in exchange for weapons and equipment to the RUF is accurate; however, there is no evidence to support the allegations that al Qaeda operatives were involved in this operation.

The witness identifications of al Qaeda fugitives were made after 9/11. Furthermore, with the exception of [redacted] only two witnesses identified al Qaeda fugitives as being involved in diamond trafficking in West Africa. The senior RUF official's initial identification was made only after the U.N. Special Court's investigators showed the witness an FBI Most Wanted Terrorist poster, not a traditional law enforcement photo spread. [redacted] identification was after he claimed he viewed the FBI's Most Wanted Poster on the Internet. Even though the two witnesses, [redacted] and the former senior RUF official, were involved in the same diamond trafficking operations during the same time frame, they identified different al Qaeda fugitives. Both witnesses based their identification on a one-time sighting of the individuals they later thought were al Qaeda fugitives. These witnesses did not have any further information concerning the individuals they saw and they were not aware if they purchased diamonds. Based on the investigation conducted, it is believed that [redacted] was mistaken in his identity of the two al Qaeda fugitives Ahmed Ghailani and Fazul Mohammed, and was referring to Souley Guisse and Mouhamed Kenemi, the two Senegalese males brought in by Aziz Nassour. Conversely, the former senior RUF official denied seeing the two al Qaeda fugitives identified by [redacted] but did identify a third al Qaeda fugitive Sheikh Ahmed Salim Sweden. The former RUF official met the man, he now believes to be Sweden, through [redacted] on only one occasion, and he added that this person left Liberia without consummating any diamond deals. The former RUF official could not provide any further information, and [redacted] after being shown a photograph of Sweden, denied ever seeing him. No witness confirmed seeing the al Qaeda fugitive Abdullah Ahmed Abdullah.

FBI Investigation into Allegations that Al Qaeda Operatives Cornered the Market on Western African Diamonds

According to the Washington Post, al Qaeda "reaped millions of dollars in the past three years from the illicit sale of diamonds mined by the rebels in Sierra Leone" and al Qaeda "operatives oversaw a 20 million dollar diamond buying spree that effectively cornered the market in the region's precious stones." This activity allegedly occurred during the summer of 2001 and was used to finance terrorist operations and protect funds from law enforcement scrutiny, in anticipation that their accounts would be frozen after the 9/11 attacks. The articles claim that the al Qaeda operatives originally bought diamonds from RUF rebels at low prices seeking to resell them for large profits in Europe, but in July 2001 they changed tactics and bought far more diamonds than usual, paying premium prices for them.

On March 17, 2003, TFOS/FBI traveled to Johannesburg, South Africa, to meet with the De Beers Diamond Company's Crime Intelligence Unit regarding its knowledge of possible al Qaeda involvement with conflict diamonds. De Beers was not aware of any unusual activity in the Antwerp diamond market with regard to raw diamonds from West Africa during the summer of 2001. Furthermore, De Beers did not have any information, other than the above mentioned media reports, relating to al Qaeda's presence in West Africa. b7D

[redacted] Diamond Investigative Unit in Antwerp, reviewed the records of Aziz Nassour's Belgian company, ASA Diam. Also examined were Samih Ossaily's extensive records seized upon his arrest. According to the [redacted] ASA Diam sold 20 million dollars worth of raw diamonds in Antwerp during the first five months of 2001 and then reinvested more than 19 million dollars of these funds for the purchase of additional diamonds from West Africa. G

Based on its comprehensive review of ASA DIAM financial records, the [redacted] advised that media assertions that "[i]nvestigators say that at least 20 million dollars was withdrawn from the account, money they believe was a portion of the company's transactions linked to al Qaeda's buying activities" was false. According to the [redacted] the money was not tied in any way to al Qaeda, but traced back to West Africa for the purchase of additional gems. G

On December 29, 2002, Washington Post reported that "[i]n Ossaily's case, the Belgian investigators say that they uncovered bank records showing that the diamond company enjoyed a sudden surge in business and turned over almost one billion dollars the year before September 11." The [redacted] investigators overseeing Ossaily's case told the FBI that such assertions were clear exaggerations and

estimated that ASA DIAM's business, during that time frame, was less than 25 million dollars.

The [redacted] noted that profits Aziz Nassour made trafficking conflict diamonds throughout Africa may have been transferred to Lebanon, which is believed to be his current location since fleeing Belgium.

The [redacted] categorized the Washington Post's assertion that "al Qaeda operatives oversaw a 20 million dollars diamond buying spree that effectively cornered the market on the regions stones" as ridiculous. They advised that it would take much more than this, possibly billions of dollars, to corner the raw diamond market. The [redacted] added that during no time in 2001 was there any drying up, abundance, or unusual activity of Western African gems in the Antwerp market.

[redacted] also advised the FBI in April 2003, that any "drying up" of Sierra Leone diamonds or later increase in amounts exported could be explained by the hoarding of the raw stones prior to the Kimberly Process becoming effective and the U.N. sanctions being lifted during this period.

TFOS/FBI interviewed diamond exporters [redacted] and [redacted] in Sierra Leone. [redacted] They both advised that they closely monitor the West African diamond trade and did so even during the period the RUF controlled the mining areas of Kono and Tonga. They were not aware of any unusual fluctuations or "cornering" in the West African diamond market during 2001 or anything else out of the ordinary, including sales in gems in excess of one million dollars or any al Qaeda diamond purchasing in the region.

Evaluation of Allegations Related to al Qaeda Cornering the West African Diamond Trade

As a result of this investigation, the FBI has determined that there is no substance to the allegations that al Qaeda operatives purchased 20 million dollars in diamonds that cornered the market. The FBI has been in contact with other intelligence, law enforcement, and regulatory agencies in the U.S. and abroad; none have identified the diamond/gemstone trade as a significant source of funding for al Qaeda.

Possible Terrorist Group Funding Through Conflict Diamonds

Due to the high value, relatively small size, and concealable nature of diamonds, the trafficking in diamonds and other precious gems could represent a simple and essentially risk-free means of transporting assets for any terrorist organization. As such, the FBI recognizes the potential systemic vulnerabilities in the current prevention of conflict diamond trafficking, and that the region and its resources require further monitoring.

Currently there is an indication that trafficking of conflict diamonds occurring throughout Africa may be derivatively supporting the Lebanese terrorist group Hizbollah[6] through religious-based contributions. This is based on the general understanding that Lebanese diaspora communities throughout Africa control much of the diamond trade, as well as other export-import businesses. Many of these Lebanese are Shiite-Muslims with close ties to Lebanon. As these factors are merely indicators, further monitoring of the situation is warranted.

The official diamond trade in Sierra Leone has grown from 1.4 million dollars in diamond exports in 1999, to 6.5 million dollars in 2000, 26 million dollars in 2001, 41.7 million dollars in 2002, and 33.4 million dollars during the first five months of 2003. The Sierra Leonean Police, the U.S. Embassy officials in Sierra Leone, and U.N. Special Court personnel, opined that the majority of diamonds are illegally smuggled out of the country and that the total of official and illicit diamonds exported from Sierra Leone on a yearly basis is estimated to be an amount up to 300 million dollars.

While the FBI's investigation did not show any connections between al Qaeda and the trafficking of conflict diamonds, the risk of terrorist groups using such precious stones as alternative financing methods for laundering, transporting, or profit-generating purposes remains high. Additionally, other terrorist networks may currently benefit significantly from fund raising efforts directed at those who are profiting from the diamond trade. As such, the U.S. State Department and the U.S. intelligence community, as well as their counterparts in other countries and international organizations need to be actively engaged to monitor what is occurring throughout Africa in the movement and trade of precious minerals and gems.

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[6] The FBI/TFOS team investigating this matter has noticed a common theme during the course of investigation - a confusion between the al Qaeda organization and the Hizbollah organization. Many individuals interviewed during this investigation freely interchange the terms Hizbollah and al Qaeda

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[redacted]

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[redacted]

FBI Interview [redacted]

Another unidentified source used by the media to support the alleged al Qaeda/conflict diamond nexus was determined to be [redacted] was interviewed by the FBI and detailed [redacted] and others in buying diamonds from the Kono Region of Sierra Leone. [redacted]

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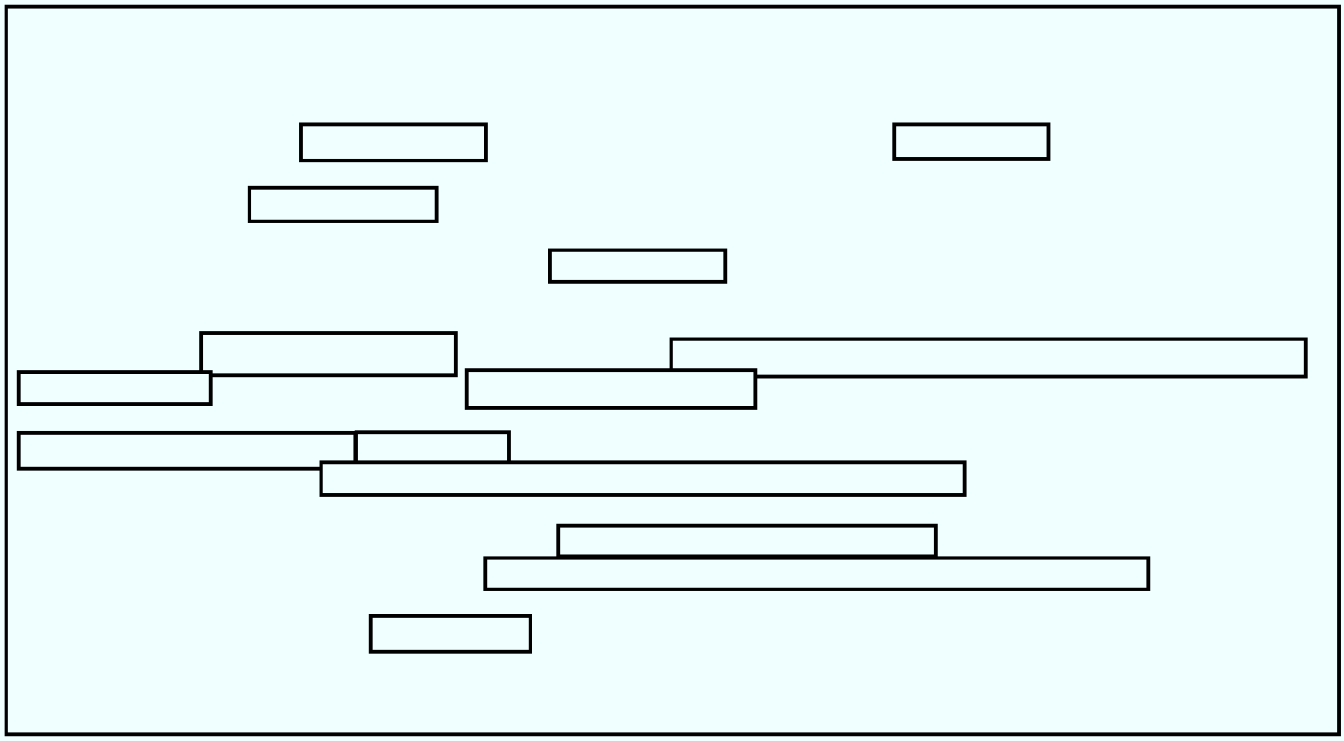

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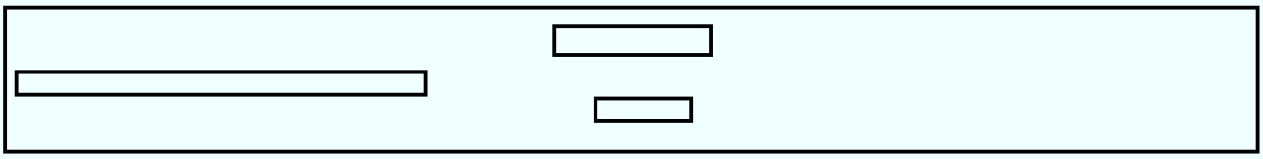

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The Washington Post quotes unidentified U.S. Defense Intelligence Agency officials as monitoring Ahmed Ghailani and Fazul Mohammed in Western Africa in the weeks following 9/11. According to media reports, the Pentagon had a Special Forces team in neighboring Guinea ready to snatch these al Qaeda fugitives. However, the FBI met with DOD officials in Washington and the Defense Intelligence Attache in Freetown, Sierra Leone, [redacted] These meetings revealed that this allegation was false. [redacted] while a group of U.S. Special Forces were in Guinea during that period training with their host country counterparts, these U.S. forces were not attempting to apprehend any al Qaeda fugitives.

FBI Travel to Ouagadougou, Burkina Faso

According to media reports, prior to March 2001 and again from July 2001 through the summer of 2002, al Qaeda fugitives, Ahmed Ghailani and Fazul Mohammed, stayed in Ouagadougou, Burkina Faso, under the protection of President Blaise Campaore. During these extended periods, the al Qaeda fugitives allegedly stayed at the government's official guest house known as the "Maison des Hotes." Allegations cite European intelligence reports stating that the al Qaeda fugitives moved between a protected area in Liberia and Maison des Hotes in the district of Zone du Bois, further described as the Presidential compound in Burkina Faso, and remained there for at least two months after 9/11.

On June 13, 2003, TFOS/FBI inspected the facilities of the Maison des Hotes at Zone du Bois, as well as the bungalow complex located next door. The Maison des Hotes is not part of the presidential compound as alleged by media reports; it is several miles away. The Maison des Hotes is a simple three bedroom residence, while the adjacent bungalows are six, one-room units. TFOS/FBI interviewed the two Chefs, the Facilities Manager, and the Commanding Officer of the Presidential Security Detail in charge of the Maison des Hotes and the adjacent bungalow complex. All were employed in their respective positions at the time of the alleged visits of al Qaeda fugitives Ahmed Ghailani and Fazul Mohammed. They were shown photo spreads that included photographs of Ahmed Ghailani and Fazul Mohammed and were unable to identify either man. None of those interviewed had any knowledge of Middle Easterners or East Africans staying at Maison des Hotes or nearby facilities during the relevant time period.

The FBI also met with [redacted] who was aware of the various allegations related to al Qaeda's presence in Burkina Faso. He advised that he and his

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security forces were completely surprised by the various articles and have spent considerable time and effort to determine if there was an al Qaeda presence in the country. [redacted] was convinced that the media allegations that fugitives Ahmed Ghailani and Fazul Mohammed were hosted by President Campaore or staying as guests at the Maison des Hotes were false. However, he added that Burkina Faso could not guarantee that al Qaeda operatives have never discreetly passed through the country.

Evaluation of Allegations Related to al Qaeda's Involvement in Diamond Trafficking in West Africa

The FBI has conducted a comprehensive investigation into this matter. Investigative results do not support the media allegations that al Qaeda fugitives Abdullah Ahmed Abdullah, Ahmed Khalfan Ghailani, and Fazul Mohammed engaged in a diamond buying operation in West Africa.

[redacted] This in-depth investigation revealed that the individuals involved in Nassour's West African diamond trafficking operation during 2000 and 2001, with the exception [redacted] provided consistent details of all aspects of the operation, while specifically denying the involvement of the al Qaeda fugitives [redacted] the FBI's investigation further determined that Mohammad D. Keneme and Soulemani M. Guessen were not aliases used by Ahmed Ghailani and Fazul Mohammed, but rather they were true names of actual diamond traders from Senegal employed by Aziz Nassour. Several witnesses involved in Nassour's operation, who knew the two Senegalese men, viewed photographs of Ahmed Ghailani and Fazul Mohammed, and stated that they were not photographs of Mohammad D. Keneme and Soulemani M. Guessen.

Additionally, investigation into the allegations that Ahmed Ghailani and Fazul Mohammed were guests at Burkina Faso's official guest house, Maison des Hotes, for at least two months after 9/11, met with similar negative results.

Furthermore, the allegations that the U.S. readied a Special Forces team to snatch Ahmed Ghailani and Fazul Mohammed in Western Africa in the weeks following 9/11 were determined to be false.

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The July 4, 2003, reporting by the Washington Post alleging that a year-long investigation by European law enforcement agencies revealed that Charles Taylor sold diamonds to al Qaeda in 2000 and 2001, is questionable. The FBI has conferred with FBI's Legal Attaches, the U.S. State Department, other U.S. agencies, and several of our foreign law enforcement counterparts in order to determine the source of this information. Based on this search, the only European law enforcement agency that has conducted a year-long investigation into this issue is the BFP and they specifically deny having developed any evidence to suggest al Qaeda's involvement in purchasing diamonds from Charles Taylor or the region.

The extensive investigation conducted by the FBI in this matter contradicts the allegations raised by the various media and Global Witness reports. Based on the investigation conducted by the BFP, the media allegations detailing Nassour's involvement with diamond trafficking in exchange for weapons and equipment to the RUF is accurate; however, there is no evidence to support the allegations that al Qaeda operatives were involved in this operation.

The witness identifications of al Qaeda fugitives were made after 9/11. Furthermore, with the exception [redacted] only two witnesses identified al Qaeda fugitives as being involved in diamond trafficking in West Africa. The senior RUF official's initial identification was made only after the U.N. Special Court's investigators showed the witness an FBI Most Wanted Terrorist poster, not a traditional law enforcement photo spread. [redacted] identification was after he claimed he viewed the FBI's Most Wanted Poster on the Internet. Even though the two witnesses, [redacted] the former senior RUF official, were involved in the same diamond trafficking operations during the same time frame, they identified different al Qaeda fugitives. Both witnesses based their identification on a one-time sighting of the individuals they later thought were al Qaeda fugitives. These witnesses did not have any further information concerning the individuals they saw and they were not aware if they purchased diamonds. Based on the investigation conducted, it is believed [redacted] was mistaken in his identity of the two al Qaeda fugitives [redacted] and was referring to Souley Guisse and Mouhamed Kenemi, the two Senegalese males brought in by Aziz Nassour. Conversely, the former senior RUF official denied seeing the two al Qaeda fugitives identified [redacted] but did identify a third al Qaeda fugitive Sheikh Ahmed Salim Sweden. The former RUF official met the man, he now believes to [redacted] on only one occasion, and he added that this person left Liberia without consummating any diamond deals. The former RUF official could not provide any further information, and Balde, after being shown a photograph of Sweden, denied ever seeing him. No witness confirmed seeing the al Qaeda fugitive Abdullah Ahmed Abdullah.

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FBI Investigation into Allegations that Al Qaeda Operatives Cornered the Market on Western African Diamonds

According to the Washington Post, al Qaeda "reaped millions of dollars in the past three years from the illicit sale of diamonds mined by the rebels in Sierra Leone" and al Qaeda "operatives oversaw a 20 million dollar diamond buying spree that effectively cornered the market in the region's precious stones." This activity allegedly occurred during the summer of 2001 and was used to finance terrorist operations and protect funds from law enforcement scrutiny, in anticipation that their accounts would be frozen after the 9/11 attacks. The articles claim that the al Qaeda operatives originally bought diamonds from RUF rebels at low prices seeking to resell them for large profits in Europe, but in July 2001 they changed tactics and bought far more diamonds than usual, paying premium prices for them.

On March 17, 2003, TFOS/FBI traveled to Johannesburg, South Africa, to meet with the De Beers Diamond Company's Crime Intelligence Unit regarding its knowledge of possible al Qaeda involvement with conflict diamonds. De Beers was not aware of any unusual activity in the Antwerp diamond market with regard to raw diamonds from West Africa during the summer of 2001. Furthermore, De Beers did not have any information, other than the above mentioned media reports, relating to al Qaeda's presence in West Africa.

[redacted] Diamond Investigative Unit in Antwerp, reviewed the records of Aziz Nassour's Belgian company, ASA Diam. Also examined were Samih Ossaily's extensive records seized upon his arrest. According to the BFP, ASA Diam sold 20 million dollars worth of raw diamonds in Antwerp during the first five months of 2001 and then reinvested more than 19 million dollars of these funds for the purchase of additional diamonds from West Africa.

Based on its comprehensive review of ASA DIAM financial records, [redacted] that media assertions that "[i]nvestigators say that at least 20 million dollars was withdrawn from the account, money they believe was a portion of the company's transactions linked to al Qaeda's buying activities" was false. According [redacted] the money was not tied in any way to al Qaeda, but traced back to West Africa for the purchase of additional gems.

On December 29, 2002, Washington Post reported [redacted] the Belgian investigators say that they uncovered bank records showing that the diamond company enjoyed a sudden surge in business and turned over almost one billion dollars the year before September 11." [redacted] told the FBI that such assertions were clear exaggerations and

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estimated that ASA DIAM's business, during that time frame, was less than 25 million dollars.

[redacted] profits Aziz Nassour made trafficking conflict diamonds throughout Africa may have been transferred to Lebanon, which is believed to be his current location since fleeing Belgium.

[redacted] categorized the Washington Post's assertion that "al Qaeda operatives oversaw a 20 million dollars diamond buying spree that effectively cornered the market on the regions stones" as ridiculous. They advised that it would take much more than this, possibly billions of dollars, to corner the raw diamond market. [redacted] that during no time in 2001 was there any drying up, abundance, or unusual activity of Western African gems in the Antwerp market.

[redacted] also advised the FBI in April 2003, that any "drying up" of Sierra Leone diamonds or later increase in amounts exported could be explained by the hoarding of the raw stones prior to the Kimberly Process becoming effective and the U.N. sanctions being lifted during this period.

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TFOS/FBI interviewed diamond exporters [redacted] They both advised that they closely monitor the West African diamond trade and did so even during the period the RUF controlled the mining areas of Kono and Tonga. They were not aware of any unusual fluctuations or "cornering" in the West African diamond market during 2001 or anything else out of the ordinary, including sales in gems in excess of one million dollars or any al Qaeda diamond purchasing in the region.

Evaluation of Allegations Related to al Qaeda Cornering the West African Diamond Trade

As a result of this investigation, the FBI has determined that there is no substance to the allegations that al Qaeda operatives purchased 20 million dollars in diamonds that cornered the market. The FBI has been in contact with other intelligence, law enforcement, and regulatory agencies in the U.S. and abroad; none have identified the diamond/gemstone trade as a significant source of funding for al Qaeda.

Possible Terrorist Group Funding Through Conflict Diamonds

Due to the high value, relatively small size, and concealable nature of diamonds, the trafficking in diamonds and other precious gems could represent a simple and essentially risk-free means of transporting assets for any terrorist organization. As such, the FBI recognizes the potential systemic vulnerabilities in the current prevention of conflict diamond trafficking, and that the region and its resources require further monitoring.

Currently there is an indication that trafficking of conflict diamonds occurring throughout Africa may be derivatively supporting the Lebanese terrorist group Hizbollah[6] through religious-based contributions. This is based on the general understanding that Lebanese diaspora communities throughout Africa control much of the diamond trade, as well as other export-import businesses. Many of these Lebanese are Shiite-Muslims with close ties to Lebanon. As these factors are merely indicators, further monitoring of the situation is warranted.

The official diamond trade in Sierra Leone has grown from 1.4 million dollars in diamond exports in 1999, to 6.5 million dollars in 2000, 26 million dollars in 2001, 41.7 million dollars in 2002, and 33.4 million dollars during the first five months of 2003. The Sierra Leonean Police, the U.S. Embassy officials in Sierra Leone, and U.N. Special Court personnel, opined that the majority of diamonds are illegally smuggled out of the country and that the total of official and illicit diamonds exported from Sierra Leone on a yearly basis is estimated to be an amount up to 300 million dollars.

While the FBI's investigation did not show any connections between al Qaeda and the trafficking of conflict diamonds, the risk of terrorist groups using such precious stones as alternative financing methods for laundering, transporting, or profit-generating purposes remains high. Additionally, other terrorist networks may currently benefit significantly from fund raising efforts directed at those who are profiting from the diamond trade. As such, the U.S. State Department and the U.S. intelligence community, as well as their counterparts in other countries and international organizations need to be actively engaged to monitor what is occurring throughout Africa in the movement and trade of precious minerals and gems.

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[6] The FBI/TFOS team investigating this matter has noticed a common theme during the course of investigation - a confusion between the al Qaeda organization and the Hizbollah organization. Many individuals interviewed during this investigation freely interchange the terms Hizbollah and al Qaeda.